STEPTOE & JOHNSON

1250 CONNECTICUT AVENUE

VASHINGTON, D. C. 2003 RECORDATION NO

ROBERT J. CORBER (202) 862-2038

RECORDATION NO. X

JAN 11 1980 -2 05 P

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INTERSTATE COMMERCE COMMISSION

January 11, 1980

INTERSTATE COMMERCE COMMISSION

Ms. Agatha L. Mergenovich, Secretary Interstate Commerce Commission Room 2209 - Office of the Secretary Washington, DC 20523

Dear Ms. Mergenovich:

Enclosed for filing and recordation pursuant to former section 20c of the Interstate Commerce Act, 49 USC § 11303, is a document related to the railroad equipment described and marked in accordance with the schedules attached to the document.

> Amendment Agreement dated as of January 10, 1980 by and between Brae Corporation and Citicorp Industrial Credit, Inc.

The names and addresses of the parties to the transactions evidenced by the foregoing document are as follows:

Lessor -

Mortgagor:

Brae Corporation

Suite 1760 - 3 Embarcadero

Center

San Francisco, CA 94111

0-011A084Mortgagee:

1980 Lessees:

Citicorp Industrial Credit,

Inc.

44 Montgomery Street San Francisco, CA 94104

Warrenton Rail Road Company

Warrenton, NC 27589

and

(CC Workington, 19 8

International Minerals & Chem-

ical Corporation Mundelein, IL 60060

Inasmuch as this document is related to the Security Agreement, Chattel Mortgage and Lease Assignment dated as of September 20, 1979 by and between Brae Corporation and Citicorp

Cross Judy

Interstate Commerce Commission Washington, D.C. 20423

1/11/80

OFFICE OF THE SECRETARY

Robert J. Corber Steptoe & Johnson 1250 Conn. Ave., N.W. Washington, D.C. 20036

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act,49 U.S.C. 11303, on 1/11/80 at 2:05pm , and assigned rerecordation number(s).10844-H

Sincerely yours,

Agatha L. Mergenovich

Secretary

Enclosure(s)

RECORDATION NO. 108111- 14

JAN 111980 - 2 05 PM

AMENDMENT AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS AMENDMENT AGREEMENT dated as of January 10, 1980 ("Agreement"), by and between BRAE CORPORATION and CITICORP INDUSTRIAL CREDIT, INC.

WITNESSETH:

WHEREAS, BRAE CORPORATION ("BRAE") and CITICORP INDUSTRIAL CREDIT, INC. ("Citicorp") entered into a Security Agreement Chattel Mortgage and Lease Assignment dated as of September 20, 1979 ("Security Agreement");

WHEREAS, pursuant to the Security Agreement, Citicorp agreed to lend to BRAE an amount not to exceed \$9,000,000 upon the terms and conditions set forth therein for the purpose of financing certain railroad equipment ("Equipment");

WHEREAS, in order to secure BRAE's obligations to Citicorp under the Security Agreement, BRAE assigned a first and senior security interest in the Equipment, the leases and shipper agreements under which the Equipment would be used by certain railroads and commodities shippers; and

WHEREAS, the parties hereto desire to amend the Security Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises herein set forth, the parties do agree as follows:

- 1. The term "Leases" as defined in the Security Agreement is hereby amended so as to delete therefrom the Shipper Agreement between BRAE and CF Industries, Inc., and to include in its place, the following Agreements:
 - (i) Shipper Agreement dated as of August 22, 1979, between BRAE and International Minerals & Chemicals Corporation ("IMC");
 - (ii) Full Service Lease Agreement, dated as of August, 1979, between BRAE and IMC;
 - (iii) Railroad Lease Agreement, dated as of August, 1979, between BRAE and the Warrenton Rail Road Company.

- 2. The security interest granted to Citicorp under the Security Agreement shall extend to the Agreements and Leases set forth in Paragraph 1 hereof, but only to the extent that such Agreements and Leases relate to the first 100 covered hopper cars to be leased thereunder, marked WAR 16000 through 16099, inclusive.
- 3. Exhibits "F" of the Security Agreement is hereby deleted and Amended Exhibit "F" as attached hereto shall be substituted therefore.
- 4. Exhibit "F-1" as attached hereto is hereby incorporated into the Security Agreement.
- 5. Schedule "A" to the Security Agreement is hereby deleted and Amended Schedule "A" as attached hereto is substituted therefore.
- 6. Except as amended specifically hereby, the Security Agreement shall remain in full force and effect according to the terms and conditions set forth therein.

IN WITNESS WHEREOF, the parties hereto have each caused their respective duly authorized officers to have executed this Agreement as of the date set forth above.

BRAE CORPORATION	CITICORP INDUSTRIAL CREDIT, INC.
By Jawan W. Busine	ву
Title Vice President - Finance	Title Regional Vice Rosident
Date January 8 1980	Date January 9 1980
).

SHIPPER AGREEMENT

SHIPPER AGREEMENT dated as of August 22, 1979 between BRAE CORPORATION, a Delaware corporation ("BRAE"), INTERNATIONAL MINERALS & CHEMICALS CORPORATION, a New York corporation ("Shipper").

RECITAL

BRAE has acquired or will acquire certain railroad cars ("Cars") more specifically described in the Equipment Schedule ("Schedule") to Exhibit I to this Agreement. Shipper desires to obtain the use of the Cars.

THE PARTIES AGREE AS FOLLOWS:

1. The Cars.

BRAE shall lease the Cars to a railroad designated by BRAE which will provide them to an originating carrier for assignment to Shipper. BRAE has previously delivered to Shipper a copy of the lease with its railroad lessee, and Shipper hereby confirms to BRAE that, to the best of Shipper's knowledge, such railroad does not presently participate in the transport of Shipper's commodities and that Shipper will use its best efforts to ensure that such railroad will not participate therein during the term of this Agreement.

2. Confirmation of Originating Carrier.

Shipper has previously obtained or will obtain written confirmation from an originating carrier accepting the Cars in assignment to one of Shipper's loading points. Shipper has delivered to BRAE a copy of such confirmation and has notified BRAE in writing of such loading point (the "Loading Point").

3. Delivery.

BRAE shall inspect each Car tendered by the manufacturer for delivery. Prior to such inspection, however, Shipper shall confirm in writing to Brae that the sample Car

which will be made available (prior to the commencement of the deliveries by the manufacturer) for Shipper's inspection conforms to the specifications previously agreed to by Shipper. Upon approval by Shipper and BRAE's determination that the Car conforms to the specifications ordered by BRAE and to all applicable regulatory requirements and if this Agreement or the Lease (as defined in Section 6A) shall be in effect, BRAE shall accept delivery of such Car at the manufacturer's facility and shall notify Shipper in writing of such acceptance. Cars shall be moved, at no cost to Shipper, to the Loading Point as soon after acceptance by BRAE from the manufacturer as is consistent with mutual convenience and economy. acknowledges that BRAE, consistent with its obligation of the preceding sentence may load the cars enroute to the Loading Point but shall in any event deliver the Cars to Shipper reasonably clean and free of residue. The initial delivery of Cars to Shipper shall be subject to manufacturers' delivery schedules and the availability of financing on terms satisfactory to BRAE. This Agreement shall commence with respect to each Car and such Car shall be deemed to be accepted by Shipper upon its delivery by BRAE to the Loading Point; provided however, that, in the event the Lease shall be in effect as a result of the events described in Section 6A or 12D with respect to any Car upon its acceptance by BRAE from the manufacturer, and such Car shall be deemed to be accepted by Shipper (as Lessee under the Lease) immediately upon its acceptance from the manufacturer by BRAE.

4. Term.

The term of Agreement (and Shipper's obligations pursuant to Section 5) as to each Car shall commence upon the acceptance of such Car by Shipper at the Loading Point and shall expire as to all Cars five years from the date on which the last Car is so accepted (or the last Car actually accepted if for any reason fewer than all the Cars listed on the Schedule are accepted).

Mileage Guarantee.

A. Shipper covenants and agrees that it shall use its best efforts to cause the Cars to travel an average of 65 miles per Car per day during the term of this Agreement. In order to ensure that the Cars travel an average of 65 miles per Car per day, Shipper shall (consistent with its normal method of operations and subject to the terms of its confirmation of assignment from an originating carrier) load the Cars prior to loading substantially similar freight cars purchased by Shipper, leased from other parties or provided by railroads subsequent to the date hereof. In the event that the

Cars do not avera = 65 miles per Car per d during any calendar year, Shipper shall be liable to BRAE as provided in Section 5B.

- B. The amount, if any, owed to BRAE by Shipper pursuant to Section 5A for any period shall be determined by multiplying 65 times the aggregate number of "Car Days" during such period and subtracting from that product the total number of miles travelled by all Cars during that period. difference is a positive number, then the difference shall be multiplied by the mileage rate then prescribed by the Interstate Commerce Commission ("ICC") as applicable to railcars of the same type as the Cars and which bear railroad markings and that product shall be the mileage deficiency fee for such period. If the difference is a negative number, then there shall be no mileage deficiency fee for such period, but that difference shall be multiplied by the mileage rate then prescribed by the ICC as applicable to railcars of the same type as the Cars and which bear railroad markings and the product shall be a credit available for application as provided in the Section 5D. For the purpose of making these determinations, "Car Day" shall mean one day on which one Car is subject to this Agreement, commencing upon the acceptance of such Car by Shipper at the Loading Point pursuant to Section 3.
- C. BRAE shall determine the mileage deficiency fee quarterly within 90 days after the last day of each March, June, September and December during the term of this Agreement. BRAE shall also make an annual determination within 90 days after the last day of each December 31 during the term of this Agreement and shall make a final determination within 60 days after the date this Agreement expires. BRAE shall notify Shipper of each such determination promptly after it has been made.
- D. Shipper shall pay BRAE the mileage deficiency fee, if any, quarterly in arrears not later than 15 days after BRAE has notified Shipper of its quarterly determination. Notwithstanding the fact that the mileage deficiency fee is payable quarterly, it shall be computed on an annual basis. Accordingly, if during any quarter the average daily mileage of the Cars exceeds 65 miles per Car per day, the credit available from such excess mileage shall be used to offset any mileage deficiency fee paid in respect of any preceding quarter during such year and, to the extent not so used, shall remain available for use as a credit to offset any mileage deficiency fee which may become payable in respect of any subsequent quarter during such year. If, because of quarterly variations in average daily mileage, Shipper has paid excess mileage deficiency

fees to BRAE during any calendar year, BRAE shall refund such excess mileage (ficiency fees to Shippe within 15 days after notifying Shipper of its annual determination for such year. Except as provided in the preceding sentence, BRAE shall be entitled to all mileage payments made by railroads with respect to the Cars. Credits resulting from average daily mileage exceeding 65 miles per Car per day shall terminate if not used at the end of each calendar year.

E. The mileage guarantee pursuant to this Section 5 shall be abated with respect to any Car which is "bad ordered", which is subject to Mechanical Rule 108 of the AAR Interchange Rules or which is out of service for maintenance or repairs, in any case commencing on the eighth day after the date on which such condition is reported to BRAE.

6. Full Service Lease.

- In the event that the confirmation of assignment of the originating carrier referred to in Section 2 shall cease to be in effect with respect to one or more of the Cars at any time *and Shipper shall not have obtained from another originating carrier a confirmation of assignment satisfactory to BRAE, this Agreement (other than Sections 6B, C and D) shall be of no further effect with respect to such Car or Cars and such Car or Cars shall immediately, without further action from either party, become subject to the terms and conditions of the Shipper Full Service Lease Agreement annexed hereto as Exhibit 1 (the "Lease"), and each party hereto covenants and agrees that if requested by the other it will execute and deliver a copy of such Lease confirming that the Car or Cars are subject thereto. In the event that the assignment of the originating carrier shall terminate pursuant to a final and binding order by a federal regulatory agency having jurisdiction with respect thereto (other than pursuant to an order arising out of the action or inaction of Shipper or the originating carrier), at the election of Shipper (1) this Agreement shall terminate, or (2) the Cars shall become immediately subject to the Lease.
- B. Shipper may, upon notice to BRAE, elect to delay the effectiveness of the Lease with respect to specified Cars for a period of up to 30 days in order to obtain from another originating carrier a confirmation of assignment satisfactory to BRAE. In such event, this Agreement shall remain in full force and effect and Shipper shall remain obligated under Section 5 with respect to the specified Cars, and, in addition, Shipper shall pay to BRAE immediately upon demand an amount equal to the difference between the car hire (per diem) payments and incentive car hire incentive (per diem) payments, if any, actually earned by the Cars and those that would have been earned if all Cars had been utilized off the tracks of BRAE's lessee railroad 100% of the time, all computed at the then applicable car hire rate prescribed by the ICC.

- C. If the Lease becomes effective with respect to one or more Cars and Shipper thereafter ob ins from an originating carrier a confirmation of assignment satisfactory to BRAE, Shipper may, at its option, cancel the effectiveness of the Lease as to the Car or Cars covered by such assignment and reassume its obligations under this Agreement (including Section 5) with respect to such Car or Cars. Any cancellation of the effectiveness of the Lease shall be preceded by ten days' notice from Shipper to BRAE.
- D. Upon the effectiveness of the Lease or the cancellation thereof with respect to any Car, Shipper shall bear all costs and expenses associated therewith, including remarking or restencilling such Car. At such time BRAE and Shipper shall also agree whether such Car shall bear the reporting marks of BRAE or Shipper and BRAE shall, at Shipper's expense, endeavor to obtain all necessary railroad, AAR and regulatory consents and approvals.
- E. In the event that Shipper shall obtain a confirmation of assignment from an originating carrier pursuant to Section 6B or C, such substitute originating carrier shall be deemed for all purposes of this Agreement to be the originating carrier referred to in Section 2.

7. Compliance with Regulations.

The operation of the Cars and their assignment to Shipper by the originating carrier shall at all times be in compliance with the provisions of the Interstate Commerce Act, the regulations of the ICC, the Department of Transportation and other regulatory agencies, and the rules established by the Association of American Railroads ("AAR").

Other Obligations.

- A. All insurance, tax and maintenance obligations with respect to the Cars which are not the express obligations of Shipper under this Agreement shall be the responsibility of BRAE.
- B. Shipper shall be responsible for all damage to the Cars, ordinary wear and tear excepted, caused (i) by Shipper, its agents or representatives, (ii) by any corrosive or abrasive substance loaded therein, and (iii) by excessive or unbalanced loading.
- C. Shipper shall give BRAE prompt telephone or telegraphic notice (confirmed in writing) of any damage of which Shipper becomes aware to any Car, regardless of who is responsible for repairing such damage.

elaim charges payable with respect to the Cars in accordance with I.C.C. Rule 22 for such period(s) at the Car(s) may be idle and not used for leading purposes at Shipper a facility.

9. Assignment.

- A. BRAE's rights hereunder may be assigned, mortgaged or otherwise transferred, either in whole or in part, and BRAE may assign, mortgage or otherwise transfer title to any Car. BRAE shall give prompt written notice to Shipper of any such assignment, mortgage or transfer.
- This Agreement and all of BRAE's rights under this Agreement, and all rights of any person who claims rights under this Agreement through Shipper are subject and subordinate to the terms, covenants and conditions of all chattel mortgages, conditional sales agreements, equipment trust agreements, finance leases or other security agreements or documents of any type covering the Cars or any of them heretofore or hereafter created and entered into by BRAE and to all of the rights of any such chattel mortgagee, trustee, owner, secured party or other holder of interest in the Cars. In the event of any such grant of security interest, mortgage or transfer, Shipper agrees to execute any and all documents required by the owner, trustee, secured party, mortgagee or transferee to confirm such third party's interest in and to the Cars and this Agreement, and to confirm the subordination provisions contained in this Section 9B.
- Without limiting the generality of Sections 9A and B, BRAE may assign this Agreement as it relates to specified Cars to the owner of such Cars, provided that BRAE also assigns the Lease as it relates to such Cars to their owner and BRAE or one of its affiliates enters into a management agreement with such owner relating to its Cars. Upon delivery to Shipper of a notice signed by BRAE regarding such assignment and the effectiveness of the related management agreement, (i) the term "BRAE" when used herein shall mean with respect to the Cars covered by such management agreement, the owner of such Cars, (ii) BRAE shall be relieved of all of its obligations and liabilities under this Agreement relating to such Cars and (iii) Shipper with respect to such Cars shall look solely to the owner of such Cars for the performance of BRAE's obligations hereunder. Shipper agrees that any such assignment may relate to one, some or all of the Cars subject to this Agreement. No assignee under this Section 9C shall have any greater rights under this Agreement than BRAE had prior to such assignment.
- D. Shipper may not assign any of its rights under this Agreement without the prior written consent of BRAE, which shall not be unreasonably withheld, except that the Shipper may assign its rights hereunder to any of its subsidiairies or affiliates, provided that Shipper at all times remains primarily

liable to BRAE hereunder. In the event that Shipper shall sell all of its facilities at the Loading Point to a creditworthy purchaser, BRAE shall consider in good faith any reasonable request of Shipper to substitute such purchaser for Shipper under this Agreement; provided, however, that BRAE may, in its absolute discretion, determine whether or not to approve such a substitution.

10. Representations, Warranties and Covenants.

Shipper represents, warrants and covenants that:

- (i) Shipper is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has all necessary corporate power and authority, permits and licenses to perform its obligations under this Agreement and the Lease.
- (ii) The execution of this Agreement and the Lease and the performance of the transactions contemplated hereby and thereby will not violate any judgment, order, law or regulation applicable to Shipper, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Shipper or on the Cars.
- (iii) There is no fact which Shipper has not disclosed to BRAE in writing, nor is Shipper a party to any agreement or instrument, nor is Shipper subject to any charter or other corporate restriction, which, as far as the Shipper can now reasonably foresee, will individually or in the aggregate materially impair the ability of the Shipper to perform its obligations under this Agreement or the Lease.
- (iv) Shipper does not have a facility located on the railroad tracks of the lessee railroad referred to in Section 1.
- (v) Shipper will cause the Cars to be used predominantly in the continental United States of America.

11. Events of Default

- A. The occurrence of any of the following shall constitute an Event of Default:
- (i) the failure by Shipper promptly to make any payment required to be made by Shipper pursuant to Section 5;

- (ii) the breach by Shipper of any agreement or covenant contained in this Agreement, which is not cured within 30 days after notice thereof from BRAE to Shipper.
- (iii) any act of insolvency or bankruptcy by Shipper or the filing by or against Shipper of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors; or
- (iv) any attempt by Shipper, without BRAE's consent, to assign any of its rights under this Agreement, except as authorized in Section 9D.
- B. Upon the occurrence of an Event of Default, BRAE may, at its option:
- (i) proceed by appropriate court action at law or in equity to enforce specific performance by Shipper of this Agreement and/ or to recover damages for breach hereof; or
- (ii) terminate this Agreement, whereupon all rights of Shipper to the use of the Cars shall absolutely cease and terminate as though this Agreement had never been made.

Upon the occurrence of any Event of Default, BRAE may exercise its remedies with respect to some or all of the Cars. Shipper shall be liable for all reasonable attorneys' fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of BRAE's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Car, unless a court of competent jurisdiction shall determine by final judgment that no Event of Default shall have occurred.

12. Termination.

A. BRAE shall have the right in its sole discretion to terminate this Agreement with respect to one or more Cars (i) in the event that any addition, alteration, modification or improvement to any of the Cars is required by the ICC, the AAR, the Department of Transportation or any other regulatory agency or is otherwise required in order to comply with applicable laws, regulations, or requirements affecting the use or ownership of any of the Cars, or (ii) in the event of a material adverse change to the car service rules. This termination right shall apply only to those Cars which require such addition, alteration, modification or improvement or are subject to such

change and shall be exercisable upon 30 days' written notice to Shipper within 120 days of the date any such requirement is first announced. In the event any of the circumstances described in clause (i) of this Section 12A shall occur, Shipper may, at its option and expense, elect to make the required addition, alteration, modification or improvement, provided that Shipper shall deliver to BRAE a written notice to such effect and a written undertaking pursuant to which it agrees to indemnify the owner(s) of the affected Cars against any loss of anticipated tax benefits as a result of such addition, alteration, modification or improvement. Upon receipt by BRAE of such a notice and a satisfactory form of such an undertaking, BRAE's termination right shall expire and this Agreement shall continue in full force and effect. Upon installation of any such addition, alteration, modification or improvement, title thereto shall vest immediately in the owner(s) of the affected Cars without further act by any party.

- B. In the event that any Car is destroyed or damaged to such an extent that repair is uneconomic in BRAE's judgment, such Car shall without further act by either party be removed from the coverage of this Agreement. BRAE may but need not replace such Car with another railcar of a similar type, capacity and condition.
- C. BRAE may terminate this Agreement promptly upon 48 hours' notice to Shipper if for any reason the lease between BRAE and its railroad lessee shall be terminated; provided, however, that upon such termination BRAE shall use all reasonable efforts to arrange another lease for the Cars with a railroad satisfactory to BRAE.
- D. If the circumstance described in Section 12C shall occur, Shipper may, at its option, declare the Lease effective with respect to the affected Cars.

13. Return of Cars.

Upon the termination of this Agreement for any reason (other than as specified in Section 12) unless the Lease shall be in effect, Shipper shall, at its expense, collect the Cars and cause them to be redelivered to BRAE at such location within 1,000 miles of the Loading Point as BRAE reasonably may designate. Upon the termination of this Agreement for a reason specified in Section 12 unless the Lease shall be in effect, Shipper shall, at its expense, collect the Cars and

cause them to be redelivered to BRAE at to Loading Point or such other location as shall be agreed upon by BRAE and Shipper. Shipper shall return each Car to BRAE empty, cleaned and free from residue. Shipper shall reimburse BRAE for the cost of cleaning any Car which, upon its return to BRAE at such termination, requires cleaning.

14. Effective Date.

This document shall become binding when it has been signed by BRAE and Shipper and the confirmation referred to in Section 2 has been obtained by Shipper and delivered to BRAE.

15. Notices.

All written communications to BRAE shall be directed to it at the following address: Brae Corporation, Three Embarcadero Center, San Francisco, California 94111, Attention: Director of Operations. All written communications to Shipper shall be directed to it at the following address: International Minerals & Chemicals Corporation 421 East Ealler Street, Mundelein, Illinois 60060 Attention: Q. H. Davis. Hawly All

16. Miscellaneous.

This Agreement, the Schedule and the Exhibit contain the entire agreement of the parties with respect to the Cars, and no modifications or amendments shall be effective unless in writing and signed by both parties. This Agreement shall be governed by the laws of State of California. Any waiver of any terms and conditions of this Agreement shall apply only to the instance for which given and shall not operate as a waiver of any of the terms and conditions hereof with respect to any other or future acts or omissions.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

INTERNATIONAL MINERALS & CHEMICALS
CORPORATION

By Judio ld Dreng
Title Souler Vice President
Date august 22 1979
BRAE CORPORATION
ву
Title President
Date <u>September 13, 1979</u>

STATE OF CALIFORNIA CITY AND COUNTY OF SAN FRANCISCO

MED On this 13th day of August, 1979, before me personally appeared Unling 15 15x100, to me personally known, who, being by me duly sworn says that he is 1500001 of Brae Corporation, and that the foregoing Shipper Agreement was signed on behalf of such corporation, as agent, by authority of its Board of Directors, and he acknowledged that the execution of such instruments were the free acts of such corporation.



My Commission Expires_

(Notarial Seal)

STATE ()F	ILLINOIS //	1
COUNTY	OF	Fall)

On this 22 day of August, 1979, before was personally appeared Julean H. Drewyy, to me personally known, who, being by me duly sworn says that he is the Rica Resident of International Minerals & Chemical Corporation, and that the foreqoing Shipper Agreement was signed on behalf of such corporation by authority of its Board of Directors, and he acknowledged that the execution of such instruments were the free acts of such corporation.

Notary Public

My Commission Expires 10/10/29

(Notarial Seal)

SHIPPER FULL SERVICE LEASE AGREEMENT

LEASE AGREEMENT dated as of August ___, 1979
between BRAE CORPORATION, a Delaware corporation ("Lessor"),
and INTERNATIONAL MINERALS & CHEMICALS CORPORATION, a
New York corporation ("Lessee").

RECITAL

Lessor and Lessee have entered into a Shipper Agreement dated as of the date hereof (the "Shipper Agreement") with respect to the railroad cars (the "Cars") shown on the Equipment Schedule (the "Schedule") attached to this Lease. The Shipper Agreement provides that, upon the occurrence of certain events, this Lease shall without further act become effective with respect to the Cars affected by those events.

THE PARTIES AGREE AS FOLLOWS:

1. Lease

Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor the Cars in the events, upon the terms and subject to the conditions set forth herein. Cars which become subject to this Lease are referred to herein as "Leased Cars".

2. Term

The term of the Lease with respect to each Leased Car shall commence upon the Effective Date and shall terminate when the term of this Lease combined with the period for which the Shipper Agreement was in effect with respect to every Car, shall equal at least five years.

3. Delivery and Acceptance

A Car shall be deemed to have been delivered to and accepted by Lessee and to become a Leased Car

immediately upon the occurrence with respect to such Car of the events specified in Section 6A or 12D of the Shipper Agreement (the "Effective Date").

4. Markings

A. As promptly after the Effective Date as practicable Lessee shall, at its expense, cause each Leased Car to be marked clearly and conspicuously to show the interest of Lessor or any secured party or any assignee of either thereof in such Leased Car. Any such secured party or assignee may from time to time, at its expense, require new or changed markings to be placed on the Leased Cars disclosing its interest in the Leased Cars. If any of such markings shall be removed, defaced or destroyed, Lessee shall, as promptly as practicable after receiving notice of such removal, defacing or destruction, cause such marking to be restored or replaced at Lessor's expense.

B. Other than as required by Section 4A, Lessee shall not place, or permit to be placed, upon the Leased Cars any lettering or marking of any kind without Lessor's prior written consent, except that for the purpose of evidencing the operation of the Leased Cars in Lessee's service, Lessee may board, placard or stencil the Leased Cars with the reporting marks and such other information as required by the rules of the Association of American Railroads ("AAR").

5. Fixed Rent

The monthly fixed rent with respect to each Leased Car is specified in Paragraph 1 of the Schedule. Fixed rent shall commence to accrue for each Leased Car on the Effective Date and shall continue to accrue throughout the term of this Lease, unless such Leased Car is removed from service without replacement as provided in Section 9E or destroyed as described in Section 10. The first fixed rent payment for each Leased Car shall be made on the last day of the month in which the Effective Date occurs and shall be in an amount equal to one-thirtieth of the monthly fixed rent, multiplied by the number of days from the Effective Date through and including the last day of such month. Subsequent payments of fixed rent shall be made in advance on or before the first day of each succeeding month during the term of this Lease. The last payment of fixed rent shall be in an amount equal to one-thirtieth of the monthly fixed rent, multiplied by the number of days from the first day of the final month through and including the termination date of this Lease.

6. Additional Rent

A. On or before April 1 of each year, Lessor shall determine the total number of miles that each Leased Car has traveled (loaded and empty) during (i) the preceding calendar year ("Full Year") or (ii) in the case of any calendar year in which the Effective Date (unless it is January 1) or the termination date (unless it is December 31) occurs, that portion of the year during which such Leased Car is leased pursuant to this Lease ("Partial Year").

B. In the event that the average mileage for all Leased Cars during any Full Year or Partial Year is greater than the number of miles set forth in Paragraph 2 of the Schedule, Lessee will pay to Lessor as additional rent the applicable amount set forth in Paragraph 2 of the Schedule. The determination of the total number of miles traveled by each Leased Car during any Full Year or Partial Year shall be made by multiplying by two the total number of miles that such Leased Car traveled while loaded, unless Lessor has in its possession information sufficient to ascertain more precisely the total mileage traveled by such Leased Car.

C. Upon the reasonable request of Lessor, Lessee shall provide reports to Lessor of movements of the Leased Cars, giving the date, destination and routing of the Leased Cars and loading and unloading information, together with other information regarding the Leased Cars which Lessee may receive from railroads or other sources.

7. Allowances

A. Any mileage allowances or other compensation payable by railroads for use of the Leased Cars ("Allowances") shall be collected by Lessor.

B. Insofar as applicable laws and regulations permit, Lessee (unless an Event of Default specified in Section 20 shall have occurred and be continuing) shall be entitled to all Allowances collected by Lessor from railroads as a credit against fixed rent and additional rent, but in no event shall such credit exceed the total of fixed rent and additional rent payable by Lessee in respect of all Leased Cars taken as a fleet during the term of this Lease.

8. Use of Cars

A. Lessee agrees, to the extent possible, to use the Lessed Cars so that mileage under load will equal or exceed mileage empty on each railroad over which the Lessed

Cars move. In the event that empty mileage should exceed loaded mileage on any railroad and Lessor should be notified by such railroad (acting pursuant to a then applicable law or regulation) to equalize mileage or to pay for such excess, Lessee shall equalize such excess empty mileage within the time limit established by the railroad or pay Lessor for such excess at the rate established by the applicable tariff.

B. Lessee shall use the Leased Cars predominantly within the continental United States of America. Lessee agrees that, if any of the Leased Cars are used outside the continental United States of America, Lessee shall reimburse Lessor for any customs, duties, taxes or other expenses resulting from such use.

9. Maintenance

A. Lessee will preserve the Leased Cars in good condition, ordinary wear and tear excepted, and will not alter the physical structure of any Leased Car without the prior written consent of Lessor. Lessee agrees to give Lessor prompt written notice of the need to repair or perform maintenance upon any Leased Car.

B. Except as otherwise provided in this Section 9, Lessor shall, at its expense, maintain the Leased Cars or cause them to be maintained in good condition and repair in accordance with the Code of Rules Governing Condition of and Repairs to Freight and Passenger Cars for the Interchange of Traffic ("Code of Rules") and the rules and regulations of the Federal Railway Administration. All manufacturers warranties with respect to the Leased Cars shall inure to the benefit of Lessor.

C. Lessor's obligations to maintain the Leased Cars under Section 9B and to comply with regulations under Section 18B shall not extend to mandatory changes in the design of any Leased Car, its components, configurations or safety appliances or other changes required by legislation or regulations effective after the Effective Date. In the event of such a change, Lessor may but need not terminate this Lease with respect to those Leased Cars to which it is applicable. Lessor's maintenance obligation shall not extend to repair or maintenance required as a result of, or attributable to: (i) defects in the manufacture or workmanship of any Leased Car or any component thereof or any material incorporated therein by the manufacturer thereof or by any person other than the Lessor, its agents or representatives, (ii) damage caused by Lessee, its agents or representatives,

or while any Leased Car is in Lessee's possession; (iii) damage caused to any Leased Car by any corrosive or abrasive substance loaded therein or used in connection therewith; (iv) damage caused to any Leased Car by open flames, vibrators, sledges or other similar devices during loading or unloading while in Lessee's possession; (v) excessive or unbalanced loading; and (vi) special interior linings, interior loading devices and removable parts.

D. Lessor shall forward to Lessee any bills for repairs made to the Leased Cars by railroads because of damage caused in any of the circumstances set forth in Section 9C, and Lessee shall promptly pay such bills.

E. If any Leased Car is (i) unavailable for use as a result of less than complete destruction or failure of Lessor properly to maintain and repair such Leased Car for any reason not specifically excepted in Section 9C and (ii) reported by Lessee to Lessor as in need of repair, fixed rent for such Leased Car shall abate from the seventh day after the date when such Leased Car is so reported until it is repaired and returned to service or replaced by another railcar. Lessor may, at its option, terminate this Lease as to any such Leased Car and, in that event, such Leased Car need not be repaired or replaced. Lessor shall have the right, but shall not be obligated, to substitute for any Leased Car which shall be damaged or destroyed another railcar of a similar type, capacity and condition.

10. Destruction of Cars

Responsibility for loss, destruction, or damage to the Leased Cars shall be as fixed by the then prevailing Code of Rules. The Code of Rules shall establish the rights, obligations and liabilities of Lessor, Lessee and any railroad subscribing thereto and moving the Leased Cars over its lines in respect of all matters to which the Code of Rules relates. In the event that any Leased Car is lost, damaged or destroyed while on the tracks of Lessee or in the event that any Leased Car is damaged by any commodity transported or stored in it, such repairs, renewals or replacements as may be necessary to replace such Leased Car to place it in good order and repair shall be at the expense of Lessee, provided that in the event of destruction of or irreparable damage to any Leased Car, Lessee shall promptly pay to Lessor, at Lessor's option, the replacement value of such Leased Car specified in the Code of Rules. Lessor and Lessee agree to cooperate with and to assist each other in any manner reasonably necessary to establish proper claims against third parties responsible for loss, destruction or damage to the Leased Cars.

Il. Indemnities

A. Except as otherwise provided in Section 10, Lessee agrees to indemnify and hold harmless Lessor from and against all losses, damages, injuries, liabilities, claims and demands whatsoever (whether as a result of damage to the Leased Cars or injury to third parties or their property) and any expense in connection therewith (including legal fees), arising out of the use or operation of the Leased Cars during the term of this Lease.

B. Lessor shall not be liable for any loss of or damage to any commodities loaded or shipped in the Leased Cars. Lessee agrees to assume responsibility for, to indemnify Lessor against and to hold Lessor harmless from, any claim in respect of such loss or damage and to assume responsibility for any damage caused to any Leased Car by such commodites.

12. Insurance

A. Lessee shall maintain (or cause to be maintained) during the term of this Agreement a policy of All Risk Liability insurance on the Leased Cars in such form and amount and covering such risks and with such deductibles as are reasonably satisfactory to Lessor.

B. Lessee covenants that it will not do any act or voluntarily permit any act to be done whereby the All Risk Liability insurance on the Leased Cars (whether maintained by Lessee or Lessor) shall or may be suspended, impaired or defeated. In the event that any Leased Car shall be lost, destroyed, or irreparably damaged from any cause whatsoever during the term of this Lease, Lessor and Lessee shall proceed diligently and cooperate fully with each other in the recovery of any and all proceeds of insurance applicable thereto.

13. Disclaimer of Warranties

EXCEPT AS PROVIDED IN SECTION 9, LESSOR MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE LEASED CARS. LESSOR SHALL IN NO EVENT BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OR FOR ANY LOSS ARISING IN STRICT LIABILITY.

14. Investment Credit

Lessee recognizes that Lessor will utilize the investment credit afforded in respect of the Cars by Sections 38

and 46 through 50 of the Internal Revenue Code. Lessee agrees that it will not commit any act, or fail to take any act, as a result of which Lessor shall lose the benefit of all or any portion of such investment credit.

15. Taxes

- A. Lessor shall be responsible for and shall pay all property taxes levied upon the Leased Cars and file all property tax reports and returns relating thereto.
- B. Lessor shall not be responsible for the payment of any tax, tariff, duty, customs, switching, demurrage or other charge made by any governmental agency, railroad or other person in respect of any Leased Car, except as provided in Section 15A. Lessee agrees to pay or reimburse Lessor promptly for any such tax, tariff, demurrage or other charges.

16. Assignment; Subordination; Title

- A. Lessor's rights hereunder may be assigned, mortgaged or otherwise transferred, either in whole or in part, and Lessor may assign, mortgage or otherwise transfer title to any Leased Car. Lessor shall give prompt written notice to Lessee of any such assignment, mortgage or transfer.
- This Lease and all of Lessee's rights under В. this Lease, and all rights of any person who claims rights . under this Lease through Lessee are subject and subordinate to the terms, covenants and conditions of all chattel mortgages, conditional sales agreements, equipment trust agreements, finance leases or other security agreements or documents of any type covering the Leased Cars or any of them heretofore or hereafter created and entered into by Lessor and to all of the rights of any such chattel mortgagee, trustee, owner, secured party or other holder of interest in the Leased Cars. In the event of any such grant of a security interest, mortgage or transfer, Lessee agrees to execute any and all documents required by the owner, trustee, secured party, mortgagee or transferee to confirm such third party's interest in and to the Leased Cars and this Lease, and to confirm the subordination provisions contained in this Section 16B.
- C. Lessee acknowledges and agrees that by execution of this Lease it does not obtain and by payment and performance hereunder it will not obtain, title to any Leased Car or any interest therein, except solely as lessee hereunder. Lessee shall keep the Leased Cars free from all encumbrances, liens and security interests of all kinds (other than those granted by Lessor), which could adversely affect Lessor's title thereto.

Without limiting the generality of Sections 16A and B, Lessor may assign this Lease as it relates to specified Cars to the owner of such Cars, provided that Lessor assigns the Shipper Agreement as it relates to such Cars to their owner and Lessor or one of its affiliates enters into a management agreement with such owner relating to its Cars. Upon delivery to Lessee of a notice signed by Lessor regarding such assignment and the effectiveness of the related management agreement, (i) the term "Lessor" when used herein shall mean with respect to the Cars covered by such management agreement, the owner of such Cars, (ii) Lessor shall be relieved of all of its obligations and liabilities under this Lease relating to such Cars and (iii) Lessee with respect to such Cars shall look solely to the owner of such Cars for the performance of Lessor's obligations hereunder. Lessee agrees that any such assignment may relate to one, some or all of the Cars subject to this Lease. No assignee under this Section 16D shall have any greater rights under this Lease than Lessor had prior to such assignment. -

17. Sublease .

Lessee shall not transfer, sublease, or assign this Lease or any Car (by operation of law or otherwise), without the prior written consent of Lessor, which shall not be unreasonably withheld. Lessee agrees (i) that no sublease shall permit any substantial use of the Leased Cars outside of the continental United States of America, (ii) that no sublessee shall be a tax exempt organization or governmental unit and (iii) that all subleases shall be expressly subordinate as provided in Section 16B. No sublease shall in any way relieve Lessee from its obligations to Lessor under this Lease. event that Lessee shall sell all of its facilities located at the Loading Point (as defined in the Shipper Agreement) to a creditworthy purchaser, Lessor shall consider in good faith any reasonable request of Lessee to substitute such purchaser for Lessee under this Lease; provided, however, that Lessor may, in its absolute discretion determine whether or not to approve such a substitution.

18. Compliance with Regulations

A. On the Effective Date the Leased Cars will conform to the applicable specifications, to all governmental laws and regulations and to all standards recommended by the AAR for railroad equipment of the same type as the Leased Cars. Except as provided in Section 18B, Lessee shall, at its own expense, comply with all governmental laws and regulations and with the Code of Rules with respect to the use and operation

of the Leased Cars. The party whose marks the Leased Cars bear shall be responsible for obtaining all necessary railroad permissions, approvals and consents for use of the Leased Cars. The other party shall take all actions reasonably requested in order to assist in obtaining such permissions, approvals, or consents. Lessee shall bear all risk of failure to obtain such permissions, approvals and consents and of cancellation thereof.

B. In case any equipment or appliance on any Leased Car shall be required to be changed or replaced in order to comply with applicable laws or regulations or the Code of Rules, Lessor agrees to cause such changes or replacements to be made at its expense, subject to Section 9C.

C. Any part or parts installed or replacements made upon any Leased Car by Lessor or Lessee shall be considered accessions to such Leased Car, and title thereto shall immediately vest in Lessor without further act.

19. Inspections

Lessee will make the Leased Cars available to Lessor or any secured party or any assignee of either thereof, at any reasonable time agreed to by both Lessor and Lessee, on request for maintenance inspection and for regular maintenance in accordance with Lessor's maintenance responsibility. Lessee will be responsible for all costs of transporting the Leased Cars to maintenance facilities.

20. Events of Default

A. The occurrence of any of the following shall constitute an Event of Default:

- (i) the failure by Lessee promptly to make any payment of fixed rent or additional rent or other amount required to be paid by Lessee under this Lease;
- (ii) the breach by Lessee of any agreement or covenant contained in this Lease, which is not cured within 30 days after notice thereof from Lessor to Lessee;
- (iii) any act of insolvency or bankruptcy by Lessee or the filing by or against Lessee of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law for the relief of, or relating to, debtors; or

(iv) any attempt by Lessee, without Lessor's consent, to assign, sublease or transfer this Lease or any interest in or the right to use or possession of the Cars.

B. Upon the occurrence of any Event of Default, Lessor may, at its option:

- (i) proceed by appropriate court action at law or in equity to enforce specific performance by Lessee of this Lease and/or to recover damages for breach hereof; or
- (ii) terminate this Lease, whereupon all rights of Lessee to the use of the Leased Cars shall absolutely cease and terminate as though this Lease had never been made, and all fixed rent not theretofore due and payable with respect to the Leased Cars shall forthwith become due and payable.

Upon the occurrence of an Event of Default, Lessor may exercise its remedies with respect to some or all of the Leased Cars. Lessee shall be liable for all reasonable attorneys' fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Leased Car, unless a court of competent jurisdiction shall determine by final judgment that no Event of Default shall have occurred. The remedies provided in this Lease in favor of Lessor shall not be deemed exclusive, but shall be cumulative and may be exercised concurrently or consecutively, and shall be in addition to all other remedies existing at law or in equity. To the extent permitted by applicable law, Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided.

21. Return of Leased Cars

Upon termination of this Lease for any reason (other than pursuant to Section 9C) with respect to any Leased Car unless the Shipper Agreement is concurrently becoming effective pursuant to Section 6D thereof with respect to such Leased Car, Lessee, at its expense, shall return such Leased Car to Lessor at any location reasonably specified by Lessor within 1000 miles of the Loading Point (as defined in the Shipper Agreement). Upon termination of this Lease pursuant to Section 9C with respect to any Leased Car unless the Shipper Agreement is concurrently becoming effective pursuant to

Section 6D thereof with respect to such Leased Car, Lessee shall, at its expense, deliver such Leased Car to Lessor at the Loading Point (as defined in the Shipper Agreement) or at such other point as shall be agreed upon by Lessor and Lessee. Leased Car shall be (i) cleaned, empty and free from residue, (ii) in such condition as will permit Lessor immediately to sell or relet it without repair (other than repairs that Lessor is required to make pursuant to Section 9) and (iii) in compliance with all applicable laws and regulations. Lessee shall reimburse Lessor on demand for the cost of cleaning any returned Leased Car. In the event that any Leased Car is not redelivered to Lessor on or before the termination date of this Lease, all of the obligations of Lessee under this Lease with respect to such Leased Car shall remain in full force and effect until such Leased Car is redelivered to Lessor; provided, however, that, in the event timely redelivery was not beyond Lessee's control, the fixed rent for such Leased Car after the termination date shall be 130% of the fixed rent for such Leased Car specified in the Schedule.

22. Miscellaneous

- A. Each party agrees to execute the documents contemplated by this Lease and such other documents as may reasonably be required in connection with this Lease.
- B. This Lease shall be governed by the laws of the State of California.
- C. No failure or delay by Lessor to exercise its rights or remedies hereunder shall constitute a waiver or otherwise affect or impair any right, power or remedy available to Lessor.
- D. Headings to the sections of this Lease are for the convenience of reference only and do not form a part of this Lease and shall not in any way affect the interpretation hereof.
- E. No explanation or information by either of the parties shall alter or affect the meaning or interpretation of this Lease and no modification or amendment to this Lease shall be valid unless in writing and executed by both parties.
- P. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when received if deposited in the United States mail, postage prepaid, certified or registered, addressed to the other party at the following address: if to Lessor: Brae Corporation, Three Embarcadero Center, San Francisco, California 94111, Attention:

Director of Operations; or if to Lessee: International Minerals Chemicals Corporation, 421 East Ralley Street, hypothein, Illinois 60060, Attention: Q. H. Davis. Hawley

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first above written.

BRAE	CORPORATION
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INTERNATIONAL MINERALS & CHEMICALS CORPORATION.

Ву	· · · · · · · · · · · · · · · · · · ·
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EQUIPMENT SCHEDULE

AAR	•		Dimensions					Number	
Mech. Design	Description	Numbers	Capacity	Length	Inside <u>Width</u>	Height	Width	of Cars	
LO .	Covered Hoppe	r	4750 cu. ft.					500	

EQUIPMENT SCHEDULE (reverse side)

1. Fixed Rent

برجسرعدر 2. Additional Rent

The additional rent for each Leased Car for a Full Year shall equal two cents (\$.02) multiplied by the number of miles which such Leased Car has travelled in excess of 25,000 miles during such Full Year, prorated for Partial Years.

The additional rent for each Leased Car for each Partial Year shall be calculated by (i) dividing the total number of days during which such Leased Car was provided by Lessor to Lessee during such Partial Year (the "Total Car Days") into the total number of miles that such Leased Car travelled during such Partial Year, and (2) subtracting therefrom the figure 68.49. If the resulting figure ("Excess Average Daily Mileage") is positive, then additional rent shall be payable for such Partial Year and shall equal the following:

(Excess Average Daily Mileage) x (Total Car Days) x (\$.02)

All computations pursuant to this Paragraph 2 shall include days and miles during which the Leased Cars were subject to either this Lease or the Shipper Agreement and shall be made on the basis of the average mileage of all Leased Cars rather than on a Leased Car by Leased Car basis.

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STATE OF CALIFORNIA	;
CITY AND COUNTY OF SAN FRANCISC	
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on this 13 day of An appeared Hillian 3 TEXION	ptention ugust, 1979, before me personally to me personally known, who,
being by me duly sworn says tha	at he is 1785((1817T
of Brae Corporation, and that tincluding all Riders and Equipm	
signed on behalf of such corpor	ation, as agent, by authority of acknowledged that the execution
of such instruments were the fr	ee acts of such corporation.
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OFFICIAL SEAL MIRELLA R ABBO	inusla R Abbi
NOTARY PUBLIC - CALIFORNIA SAN FRANCISCO CCUITY	Notary Public
Hy comm. expires FEB 25, 1983	My Commission Expires 7-25/43
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STATE OF ILLINOIS	
COUNTY OF	_;
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·	gust, 1979, before me personally , to me personally known, who,
appearedbeing by me duly sworn says that	t he iso
International Minerals & Chemica going Lease Agreement, including	als Corporation, and that the fore- g all Riders and Equipment Sched-
ules thereto, was signed on beha	alf of such corporation by authority
of its board of directors, and r of such instruments were the fre	he acknowledged that the execution ee acts of such corporation.
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•	•
	· Notary Public

-15-

(Notarial Seal)

My Commission expires _____

RAILROAD LEASE AGREEMENT

LEASE AGREEMENT, dated as of October 22, 1979, between BRAE CORPORATION, a Delaware corporation ("BRAE"), and WARRENTON RAILROAD, a North Carolina corporation ("Lessee").

1. Scope of Agreement

- A. BRAE agrees to lease to Lessee and Lessee agrees to lease from BRAE the items of railroad equipment ("Cars") set forth in the Schedule(s) attached hereto. "Schedules" include the Schedule or Schedules executed herewith and any additional Schedules, each of which when executed by both parties shall become a part of this Agreement.
- B. Subject to the provisions of Section 12A hereof, BRAE shall at all times be and remain the lessor of the Cars; Lessee shall not take any action or file any document inconsistent with BRAE's position as the lessor of the Cars and shall from time to time take such actions and execute such documents as may be necessary to evidence or confirm BRAE's position as the lessor of the Cars.

2. Term

- A. This Agreement shall remain in effect until it shall have been terminated as to all Cars as provided herein. The lease pursuant to this Agreement with respect to each Car shall commence upon the acceptance of such Car by BRAE from the manufacturer and shall continue until five years have expired from the actual date of delivery to the shipper's loading point for the last of the Cars described on the Schedule, all as provided in Section 3A; provided, however, that in no event shall the original term of lease with respect to any Car exceed 71 months.
- B. BRAE shall have the right to terminate this Agreement with respect to one or more Cars in the event that any addition, alteration, modification or improvement to any of the Cars is required by the Association of American Railroads ("AAR"), the Department of Transportation or any other regulatory agency or is otherwise required in order to comply with applicable laws, regulations or requirements affecting the use or ownership of any of the Cars or in the event of material adverse changes to the car service rules. This termination right, which shall apply only to those Cars which require such addition, alteration, modification or improvement, shall be exercisable upon 30 day's written notice to Lessee at any time within 120 days of the date any such requirement is

first announced. This termination right is in addition to any termination rights which BRAE may have under Sections 6 or 8 hereof.

3. Delivery

A. BRAE shall inspect each Car tendered by the manufacturer for delivery. Upon BRAE's determination that the Car conforms to the specifications ordered by BRAE and to all applicable regulatory requirements and if this Agreement shall not have been terminated, BRAE shall accept delivery of such Car at the manufacturer's facility and shall notify Lessee in writing of such acceptance. Each of the Cars shall be deemed delivered to and accepted by Lessee upon its acceptance by BRAE from the manufacturer. The Cars shall be moved, at no cost to Lessee, to the loading point of a shipper agreed upon by Lessee and BRAE, as soon after acceptance by BRAE as is consistent with mutual convenience and economy. The lease hereunder and Lessee's rental obligation with respect to each Car shall commence upon acceptance of such Car by BRAE from the manufacturer.

- B. Lessee agrees that it shall not lease freight cars from any other party until it shall have received all of the Cars listed on all Schedules. In the event that any of the Cars should for any reason be on Lessee's tracks, Lessee shall load the Cars prior to the loading substantially similar freight cars leased from other parties, owned by Lessee or interchanged with other railroads.
- c. Additional Cars may be leased from BRAE by Lessee only upon the mutual agreement of the parties. Such additional Cars shall be identified in a Schedule and shall become subject to this Agreement upon execution of such Schedule by BRAE and Lessee. The delivery of any Car shall in all events be subject to manufacturer's delivery schedules and to the availability of financing on terms satisfactory to BRAE. If fewer than all Cars listed on any Schedule shall be delivered to the shipper's loading point, the lease term for the Cars on such Schedule shall terminate five years from the delivery date for the last of the Cars which is listed on such Schedule and actually delivered to the shipper's loading point, as provided in Section 3A.

4. Railroad Markings and Record Keeping

A. On or before acceptance of any Car from the manufacturer by BRAE, such Car will be lettered with the railroad markings of Lessee and may also be marked with the name and/or other insignia used by Lessee. Any Car may also be marked with the name of BRAE and any other information required by an owner or by a secured party under a financing agreement entered into in connection with the acquisition of such Car. All such names, insignia and other information shall comply with all applicable regulations.

- B. At no cost to Lessee, BRAE shall prepare for Lessee's signature and filing, all documents relating to the registration, maintenance and record keeping functions involving the Cars, including such reports as may be required from time to time by the Interstate Commerce Commission ("ICC") or any other regulatory agency.
- C. Each Car accepted from the manufacturer by BRAE shall be registered at no cost to Lessee in the Official Railway Equipment Register and the Universal Machine Language Equipment Register. BRAE shall, on behalf of Lessee, perform all record keeping functions related to the use of the Cars by Lessee and other railroads, such as car hire reconciliation, in accordance with AAR railroad interchange agreements and rules. Correspondence from railroads using Cars shall be addressed to Lessee at such address as BRAE shall select.
- D. A record of all payments, charges, data and correspondence related to the Cars shall be separately maintained by BRAE in a form suitable for reasonable inspection by Lessee from time to time during BRAE's regular business hours. Lessee shall supply BRAE with such reports, including telephone reports, regarding the use of the Cars by Lessee, as BRAE may reasonably request.

5. Maintenance, Taxes, and Insurance

- A. Except as otherwise provided herein, BRAE will pay all costs, expenses, fees and charges incurred in connection with the use and operation of each Car durings its lease term, including but not limited to repairs, maintenance and service, unless the same was occasioned by the fault of Lessee. Lessee shall inspect all Cars interchanged to it to insure that such Cars are in good working order and condition and shall be liable to BRAE for any repairs required for damage not noted at the time of interchange. Lessee hereby transfers and assigns to BRAE all of its right, title and interest in any warranty in respect of the Cars. All claims or actions on any warranty so assigned shall be made and prosecuted by BRAE at its sole expense and Lessee shall have no obligation to make any claim on such warranty. Any recovery under such warranty shall be payable solely to BRAE.
- B. Except as provided in Section 5A, BRAE shall make or cause to be made such inspections of, and maintenance and repairs to, the Cars as may be required. Lessee shall perform any necessary maintenance and repairs to Cars while on Lessee's railroad tracks as may be reasonably requested by BRAE. BRAE shall also make, at its expense, all alterations, modifications or replacements of parts as shall be necessary to maintain the Cars in good operating condition throughout the term of their lease. Lessee may make running repairs, at BRAE's expense, to facilitate continued use of a Car, but shall not otherwise make any repairs, alterations, improvements or additions to any Car without BRAE's

prior written consent. Lessee shall be liable to BRAE for any revenues lost due to such alteration, repair, improvement or addition. Title to all alterations, improvements or additions shall vest immediately in BRAE.

- C. Lessee shall be responsible for the Cars while on Lessee's railroad tracks in the same manner that Lessee is responsible under Rule 7 of the AAR Car Service and Car Hire Agreement Code of Car Service Rules Freight for freight cars not owned by Lessee which are on Lessee's railroad tracks.
- D. BRAE agrees to reimburse Lessee for all taxes, assessments and other governmental charges of whatsoever kind or character paid by Lessee relating to each Car and on the lease, delivery or operation thereof which may remain unpaid as of the date of delivery of such Car to Lessee or which may be accrued, levied, assessed or imposed during the lease term, except taxes on income imposed on Lessee and sales or use taxes imposed on the mileage charges and/or car hire revenues earned by the Cars. BRAE shall forward to Lessee all sales and use tax payments received by it on behalf of Lessee. BRAE and Lessee will comply with all state and local laws requiring the filing of property tax returns on the Cars. BRAE shall review all applicable tax returns prior to filing.
- E. Lessee shall maintain (or cause to be maintained) during the term of this Agreement policies of property damage and public liability insurance (or programs of self insurance) on the Cars in such form and amount and covering such risks and with such deductibles as are reasonably satisfactory to BRAE.

6. Lease Rental

A. Lessee agrees to pay the following rent to BRAE for the use of the Cars:

(i) In the event that Utilization for all Cars on an aggregate basis is equal to or less than 90% for the applicable calendar year, BRAE shall receive all car hire (per diem) payments and incentive car hire (incentive per diem) payments, if any, earned by all Cars during such calendar year. In the event that Utilization for all Cars on an aggregate basis is greater than 90% for such calendar year, BRAE shall receive an amount equal to the Base Rental for such calendar year. "Utilization" shall mean with respect to any period a fraction the numerator of which is (X) the aggregate number of Car Hours for which car hire payments are earned by the Cars during such period, and the denominator of which is (Y) the aggregate number of Car Hours during such period. "Car Hour" shall mean one hour during which one Car is on lease

hereunder, commencing on the initial delivery of such Car to the shipper's loading point. A Car shall be deemed not to be earning car hire payments during any Car Hour for which "reclaim" is assessed. "Base Rental" shall mean for any calendar year an amount equal to all car hire (per diem) payments and incentive car hire (incentive per diem) payments, if any, earned by all Cars during such calendar year, multiplied by a fraction the numerator of which is 90% and the denominator of which is the Utilization for such calendar year.

- (ii) In the event that Lessee receives in any calendar year car hire payments in respect of the Cars in excess of the payments required to be made to BRAE pursuant to subsection 6A(i) in such calendar year, Lessee shall retain such excess payments.
- (iii) In the event that the average daily mileage for all Cars is equal to or less than 65 miles per Car per day during the applicable calendar year, BRAE shall receive 90% of all mileage payments earned by all Cars during such calendar year (and the remaining 10% shall be retained by Lessee). In the event that the average daily mileage for all Cars exceeds 65 miles per Car per day during such calendar year, BRAE shall receive (X) 90% of all mileage payments which would have been earned by the Cars if mileage had averaged 65 miles per Car per day and (Y) all mileage payments actually earned by all Cars during such calendar year in excess of those which would have been earned if mileage had averaged 65 miles per Car per day. In either event Lessee shall retain 10% of the mileage payments earned by the Cars up to a maximum average daily mileage of 65 miles per Car per day. provisions of this clause (iii) shall apply to all mileage payments earned by the Cars after initial delivery to the shipper's loading point.
- (iv) BRAE shall receive all car hire payments and mileage charges earned by the Cars prior to their initial delivery to the shipper's loading point. BRAE shall also receive all demurrage and other payments made to Lessee in respect of the Cars by railroads. BRAE shall retain all payments made directly to BRAE in respect of the Cars by shippers.
- B. In the event damage beyond repair or destruction of a Car has been reported in accordance with Rule 7 of the AAR Car Service and Car Hire Agreement Code of Car Hire Rules Freight and the appropriate amount due as a result thereof has been received by BRAE, such Car will be removed from the coverage of this Agreement as of the date that car hire payments ceased. BRAE may but need not substitute for any Car so removed from the coverage of this Agreement another railcar of a similar type, capacity, and condition.

- C. The calculations required by Section 6A shall be made within five months after the end of each calendar year. However, to enable BRAE to meet its financial commitments, BRAE may, prior to such calculations, retain the payments received by it on behalf of Lessee. Since the parties desire to determine on a monthly basis the approximate amount of the rental charges due BRAE, BRAE shall within five months after the end of each calendar month, calculate on a monthly basis rather than an annual basis the amount due it pursuant to Section 6A. Any amounts payable pursuant to the preceding sentence shall be paid promptly on or about the 25th of each month following such calculation; provided, however, that following the annual calculation, any amount paid to either party in excess of the amount required by the annual calculation shall be promptly refunded to the appropriate party.
- D. If at any time during a calendar quarter, the number of hours during which the Cars have not earned car hire payments and for which "reclaim" has been assessed with respect to the Cars is such as to make it mathematically certain that the Utilization in such calendar quarter cannot be equal to or greater than 90%, BRAE may, at its option and upon not less than ten days' prior written notice to Lessee, terminate this Agreement as to such Cars as BRAE shall determine.
- E. During the term of this Agreement, if any Car remains on Lessee's railroad tracks for more than two days, BRAE may, at its option and upon not less than 24 hours' prior written notice, terminate this Agreement as to such Car and recover possession of such Car. If any Car remains on Lessee's railroad tracks for more than two consecutive days because Lessee has not given priority to the Cars as provided in Section 3B, Lessee shall be liable for and shall remit to BRAE an amount equal to the car hire and mileage payments such Car would have earned if such Car had been in the physical possession and use of another railroad and had averaged 65 miles per day for the entire period it was on Lessee's tracks.

7. Possession and Use

A. So long as Lessee shall not be in default under this Agreement, Lessee shall be entitled to the possession, use and quiet enjoyment of the Cars in accordance with the terms of this Agreement, provided that the Cars shall at all times be assigned in service to the shipper referred to in Section 3A or to another shipper agreed upon by BRAE and Lessee. Lessee's rights shall be subject and subordinate to the rights of any owner or secured party under any financing agreement entered into in connection with the acquisition of Cars, i.e., upon notice to Lessee from any such secured party or owner that an event of default has occurred and is continuing under such financing agreement, such party may require that rent shall be paid directly to such party and

that Cars be returned to such party. Lessee agrees that to the extent it has physical possession and can control use of the Cars, the Cars will at all times be used and operated under and in compliance with the laws of the jurisdictions in which they may be located and in compliance with all lawful acts, rules and regulations, and orders of any governmental agency having power to regulate or supervise the use of the Cars, except that BRAE may in good faith and by appropriate proceedings contest the application of any such rule, regulation or order in any reasonable manner at BRAE's expense.

- B. Lessee will not directly or indirectly create, incur, assume, or suffer to exist (except as provided in Section of A) any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim on or with respect to the Cars or any linear any interest therein or in this Agreement or any Schedule. Lessee will promptly, at its expense, take such action as may be necessary duly to discharge any such mortgage, pledge, lien, charge, encumbrance, security interest, or claim which may arise.
- C. Lessee agrees that the Cars shall be used predominantly within the continental United States of America.

8. Defaults. Salari.

A. The occurrence of any of the following events shall be an Event of Default:

- (i) The nonpayment by Lessee of any sum required herein to be paid by Lessee within five days after the date such payment is due;
- (ii) The breach by Lessee of any other agreement or covenant contained in this Agreement, which is not cured within ten days after BRAE has given Lessee notice thereof;
- (iii) Any act of insolvency or bankruptcy by Lessee, or the filing by Lessee of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law for the relief of, or relating to, debtors;
- (iv) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency, or moratorium law against Lessee that is not dismissed within 60 days thereafter, or the appointment of any receiver or trustee to take possession of the properties of Lessee, unless such petition or appointment, is set aside or withdrawn or ceases to be in effect within 60 days from the date of filing or appointment;
- (v) The subjection of any of Lessee's property to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency;

- (vi) Any action by Lessee to discontinue rail service on all or a portion of its tracks or abandon any of its rail properties pursuant to any applicable provision of law; or
- (vii) The merger or consolidation of Lessee into another corporation which after such merger or consolidation shall have a net worth less than that of Lessee immediately prior thereto.
- B. Upon the occurrence of any Event of Default, BRAE may, at its option:
- (i) Terminate this Agreement, proceed by any lawful means to recover damages for a breach hereof and terminate Lessee's right of possession and use of the Cars, whereupon all right and interest of Lessee in the Cars shall terminate and BRAE may enter upon any premises where the Cars may be located and take possession of them and hold, possess and enjoy them free from any right of Lessee; provided that BRAE shall nevertheless have the right to recover from Lessee any and all rental amounts which under the terms of this Agreement may then be due or which may have accrued to the date on which BRAE took such possession; or
- (ii) Proceed by any lawful means to enforce performance by Lessee of this Agreement.

Lessee agrees to bear the costs and expenses, including without limitation, reasonable attorneys' fees, incurred by BRAE in connection with the exercise of its remedies pursuant to this Section 88.

- C. If an Event of Default shall occur, BRAE may exercise its remedies pursuant to Section 8B with respect to some or all of the Cars.
 - D. Upon the occurrence of any of the following events:
- (i) The failure of any Car at any time to be placed in assigned service with a shipper agreed upon by BRAE and Lessee; or
- (ii) The insolvency or bankruptcy of any shipper to which Cars are assigned or the filing by or against any shipper to which Cars are assigned of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors;

BRAE may terminate this Agreement promptly upon 48 hours' notice to Lessee.

9. Termination

At the expiration or earlier termination of this Agreement with respect to any Car, Lessee will surrender possession of such Car to BRAE by delivering the same to BRAE at such place as BRAE reasonably may designate. A Car shall no longer be subject to this Agreement upon the removal of Lessee's railroad markings from such Car and the placing thereon of other markings designated by BRAE, either, at the option of BRAE, (i) by Lessee upon return of such Car to Lessee's railroad line or (ii) by another railroad line or shipper which has physical possession of the Car at the time of or subsequent to termination of this Agreement as to such If any Car is not on the railroad line of Lessee upon termination, the cost of assembling, deliverying, storing, and transporting such Car to Lessee's railroad line or the railroad line transporting such Car to Lessee's railroad line or the railroad line of a subsequent Lessee shall be borne by BRAE. such Car is on the railroad line of Lessee at such expiration or termination or is subsequently returned to Lessee's railroad line, Lessee shall at its own expense within five working days remove Lessee's railroad markings from such Car and place thereon any other markings designated by BRAE. After the removal and replacement of markings, Lessee shall use its best efforts to load such Car with freight and deliver it to a connecting carrier for shipment. Lessee shall provide up to 30 days' free storage on its railroad tracks for BRAE or the subsequent lessee of any Car. If any Car is terminated pursuant to Sections 6D, 6E or 8 prior to the end of its lease term, Lessee shall be liable to BRAE for all costs. and expenses incurred by BRAE to repaint such Car and to place thereon the markings and name or other insignia of BRAE's subsequent lessee.

10. Representations, Warranties and Covenants

Lessee represents, warrants and covenants that:

- (i) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has all necessary corporate power and authority, permits and licenses to perform its obligations under this Agreement.
- (ii) The execution of this Agreement and the performance of the transactions contemplated hereby will not violate any judgment, order, law or regulation applicable to Lessee, or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Cars pursuant to any instrument to which Lessee is a party or by which it or its assets may be bound.

(iii) There is no action or proceeding pending or threatened against Lessee before any court or administrative agency or other governmental body which might result in any material adverse effect on the business, properties, assets or condition, financial or otherwise, of Lessee.

(iv) There is no fact which Lessee has not disclosed to BRAE in writing, nor is Lessee a party to any agreement or instrument, nor is it subject to any charter or other corporate restriction, which, as far as the Lessee can now reasonably foresee, will individually or in the aggregate materially impair the ability of Lessee to perform its obligations under this Agreement.

(v) No shipper to which the Cars have been or will be assigned has a facility located on Lesse's railroad line. Lessee does not and will not participate at any time in transporting any commodities of any such shipper.

(vi) Lessee has filed or caused to be filed with the ICC all tariffs and other documents and notices which may be required to be filed by it in accordance with the transactions contemplated by this Agreement.

11. Inspection

BRAE may at any time during normal business hours enter any premises where the Cars may be located for the purpose of inspecting and examining the Cars to insure Lessee's compliance with its obligations hereunder. Lessee shall immediately notify BRAE of any accident connected with the malfunctioning or operation of the Cars, including in such report the time, place and nature of the accident, the damage caused, the names and addresses of any persons injured and of witnesses and any other information pertinent to Lessee's investigation of the accident. Lessee shall also notify BRAE in writing within five days after any encumbrance, tax lien or other judicial process shall attach to any Car. Lessee shall furnish to BRAE promptly upon its becoming available, a copy of its annual report submitted to the ICC and, when requested, copies of any other financial statements submitted to the ICC or its shareholders generally.

12. <u>Miscellaneous</u>

A. This Agreement and the Schedules shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns, except that Lessee may not without the prior written consent of BRAE assign this Agreement or any of its rights hereunder or sublease the Cars to any party. Any purported assignment or sublease without such consent shall be void.

Without limiting the generality of the preceding paragraph, BRAE may assign this Agreement, as it relates to specified Cars, to the owner of such Cars, provided that BRAE or one of its affiliates enters into a management agreement with such owner relating to its Cars upon terms generally similar to those prevailing in the industry. Upon delivery to Lessee of a notice signed by BRAE regarding such an assignment and the effectiveness of the related management agreement (i) the term "BRAE" when used herein shall mean with respect to such Cars, their owner, (ii) BRAE shall be relieved of all of its obligations and liabilities under this Agreement relating to such Cars and (iii) Lessee shall with respect to such Cars look solely to their owner for the performance of BRAE's obligations hereunder. Lessee hereby agrees that any such assignment may relate to all or part of the Cars and all or part of the Cars listed on any Schedule.

- B. Each party agrees to execute the documents contemplated by this Agreement and such other documents as may be required in furtherance of any agreement entered into in connection with the acquisition of the Cars or in order to confirm the owner's interest in and to the Cars, this Agreement and the schedules or to confirm the subordination provisions contained in Section 7.
- . C. This Agreement constitutes a lease of the Cars only. No joint venture or partnership is being created. Notwithstanding the calculation of rental payments, nothing herein shall be construed as conveying to Lessee any right, title or interest in the Cars except as a lessee.
- D. No failure or delay by BRAE shall constitute a waiver or otherwise affect or impair any right, power or remedy available to BRAE, nor shall any waiver or indulgence by BRAE or any partia or single exercise of any right, power or remedy preclude any othe or further exercise thereof or the exercise of any other right power or remedy.
- E. This Agreement shall be governed by the laws of t State of California.
- F. All notices hereunder shall be in writing and sh be deemed given when delivered personally or 72 hours after dep in the United States mail, postage prepaid, certified or re tered, addressed as follows:

If to BRAE:

Brae Corporation
Three Embarcadero Center
San Francisco, CA 94111
Attention: Director of
Operations

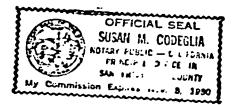
If to Lessee:

WARRENTON RAILROAD COMPANY
P.O. Box 518
Warrenton, North Carolina 27589
Attention: President

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

LESSOR:	LESSEE:
BRAE CORPORATION	~ .
By	By/Villaco Formydeus
William J. Texido Title President	Title Rusident
Date October 30, 1979	Date 10-26-79

COUNTY OF FULTON	
on this 76^{12} day of October personally appeared what formula known, who being by me duly sworn so that the foregoing Lease Agreement, and Equipment Schedule(s) No. 1+2 said corporation by authority of its such person acknowledged that the experiment of the such person acknowledged that the such person acknowledg	wysthat such person is that such person is that such person is that such person is that such person and Rider(s) No. were signed on behalf of s board of directors, and
instruments were the free acts and o	
Valerie Breins Notary Public	[seal]
Notary Public, Georgia State at Large My Commission Expires March 16, 1981	
My Commission Expires multil 14 1701	
•	•
STATE OF CALIFORNIA) CITY AND COUNTY OF SAN FRANCISCO)	•
on this 30 day of 0ctome personally appeared William () personally known, who being by me duperson is Subject and that the foregoing Lease Agreeme Equipment Schedule(s) No. 47 were corporation by authority of its boar person acknowledged that the execution instruments were the free acts and definitions.	ly sworn says that such of BRAE CORPORATION, nt, Rider(s) No. and signed on behalf of said d of directors, and such on of the foregoing
Dissan M. Codeglia Notary Public	[seal]
MOCATA LADITE //	·



EQUIPMENT SCHEDULE No. 1

BRAE Corporation agrees to lease the following cars to WARRENTON RAILROAD COMPANY, pursuant to the Lease Agreement dated as of October 22, 1979.

A.A.R. Mech.		Dimensions			No.		
Design Cars	Description	Numbers	Length	Inside Width	<u>Height</u>	Doors Width	of Cars
	• • • • • • • • • • • • • • • • • • • •			٠			
LO	4750 Cube Covered Hopper	r .	•		·		100

LESSOR:	LESSEE:
BRAE CORPORATION	WARRENTON RAILROAD COMPANY
By Allinois	By Willand Farmydund
William J. Texido Title President	Title PRESIDENT
Date October 30, 1979	Date 10/26/19

EQUIPMENT SCHEDULE No. TWO

BRAE Corporation agrees to lease the following cars to WARRENTON RAILROAD COMPANY, pursuant to the Lease Agreement dated as of October 22, 1979.

A.A.R. Mech. Design		Dimensions Inside Doors					No. of
Cars	Description	. Numbers	Length	Width	Height	Width	Cars
•		· ·					
LO	4650 Cube Covered Hopper	· • .	•				400

LESSOR:	LESSEE:
BRAE CORPORATION	WARRENTON RAILROAD COMPANY
ву	By Willand Fairnighten
Title President	Title PRESIDENT
Date October 30, 1979	Date 10/26/79

AMENDED SCHEDULE "A"

EQUIPMENT DESCRIPTION

Lessee/User	Car Number and Car Description	Quantity	Manufacturer
(1) North Stratford Railroad	General Purpose Boxcars NSRC: 400 through NSRC: 424	25	Rebuilt by Railway Indus- trial Services, Inc.
(2) AGRI	Covered Hopper Cars WAR 14000-14099 WAR 14230-14249	120	National Steel Car
(3) Genesse and Wyoming Railroad	Covered Hopper Cars GNWR: 810305 through GNWR: 810344	40	National Steel Car
(4) International Minerals and Chemicals Corpora- tion/Warrenton R.R.	Covered Hopper Cars	100	Pullman

STATE OF CALIFORNIA COUNTY OF SAN FRANCISCO

On this day of Anuay 80 before me personally appeared Aurence W. Briscot , to me personally known who, being by me duly sworn says that he is vice of BRAE Corporation, and that the foregoing Lease Agreement and Equipment Schedule(s)
were signed on behalf of such corporation by authority of its Board of Directors, and he acknowledged that the execution of such instruments were the free acts of such corporation.
OFFICIAL SEAL SUSAN M. CODEGLIA NOTARY PUBLIC — CALIFORNIA PRINCIPAL OFFICE IN SAN FRANCISCO COUNTY SAN FRANCISCO COUNTY Commission Expires Nov. 8, 1980 OFFICIAL SEAL SUSAN NOTARY PUBLIC
My Commission Expires: 10.8, 1980
STATE OF CALIFORNIA) COUNTY OF)
On this day of farmacy to before me personally appeared Royald C. Bug , to me personally known, who, being by me duly sworn says that he is Rugard of Cincap Industrial Crust , and that the foregoing Lease Agreement and Equipment Schedule(s) were signed on behalf of such corporation by authority of its Board of Directors, and he acknowledged that the execution of such instruments were the free acts of such corporation.
MARGARET ANN MCKEON MINAY PURITY — CLITORNIA BY COMMISSION Expres April 1, 1943 SEAT SEAT NOTARY PUBLIC

My Commission Expires: Spil 4, 1983